

# **Exhibit 11**

# LEHMAN BROTHERS HOLDINGS INC. PLAN TRUST

1271 AVENUE OF THE AMERICAS  
NEW YORK, NY 10020  
646 285-9000

## 10-K

10-K  
Filed on 01/29/2008 - Period: 11/30/2007  
File Number 001-09466



THOMSON REUTERS

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934** for the fiscal year ended November 30, 2007

**OR**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from                      to**

**Commission File Number 1-9466**

# Lehman Brothers Holdings Inc.

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**745 Seventh Avenue**  
**New York, New York**  
 (Address of principal executive offices)

**13-3216325**  
(I.R.S. Employer Identification No.)

**10019**  
(Zip Code)

**Registrant's telephone number, including area code: (212) 526-7000**

**Securities registered pursuant to Section 12(b) of the Act:**

| <b><u>Title of each class</u></b>   | <b><u>Name of each exchange on which registered</u></b> |
|---|---|
| Common Stock, \$.10 par value   | New York Stock Exchange                                 |
| Depository Shares representing 5.94% Cumulative Preferred Stock, Series C   | New York Stock Exchange                                 |
| Depository Shares representing 5.67% Cumulative Preferred Stock, Series D   | New York Stock Exchange                                 |
| Depository Shares representing 6.50% Cumulative Preferred Stock, Series F   | New York Stock Exchange                                 |
| Depository Shares representing Floating Rate Cumulative Preferred Stock, Series G   | New York Stock Exchange                                 |
| 5.857% Mandatory Capital Advantaged Preferred Securities of Subsidiary Trust (and Registrant's guarantee thereof)           | New York Stock Exchange                                 |
| Floating Rate Mandatory Capital Advantaged Preferred Securities of Subsidiary Trust (and Registrant's guarantee thereof)    | New York Stock Exchange                                 |
| 6.375% Trust Preferred Securities, Series K, of Subsidiary Trust (and Registrant's guarantee thereof)                       | New York Stock Exchange                                 |
| 6.375% Trust Preferred Securities, Series L, of Subsidiary Trust (and Registrant's guarantee thereof)                       | New York Stock Exchange                                 |
| 6.00% Trust Preferred Securities, Series M, of Subsidiary Trust (and Registrant's guarantee thereof)                        | New York Stock Exchange                                 |
| 6.24% Trust Preferred Securities, Series N, of Subsidiary Trust (and Registrant's guarantee thereof)                        | New York Stock Exchange                                 |
| 2.00% Medium Term Notes, Series H, Due March 3, 2009 Performance Linked to the Common Stock of Morgan Stanley (MS)          | American Stock Exchange                                 |
| 0.25% Medium Term Notes, Series I, Due February 16, 2012 Performance Linked to a Basket of Two Stocks                       | American Stock Exchange                                 |
| 0.00% Medium Term Notes, Series I, Due May 15, 2010 Performance Linked to the Common Stock of General Electric Company (GE) | American Stock Exchange                                 |
| Absolute Buffer Notes Due July 29, 2008, Linked to the Dow Jones EURO STOXX 50® Index (SX5E)                                | American Stock Exchange                                 |
| Absolute Buffer Notes Due July 7, 2008, Linked to the Dow Jones EURO STOXX 50® Index (SX5E)                                 | American Stock Exchange                                 |
| Currency Basket Warrants Expiring February 13, 2008   | American Stock Exchange                                 |
| Dow Jones Global Titans 50 Index SM SUNS® Stock Upside Note Securities Due February 9, 2010                                 | American Stock Exchange                                 |
| Dow Jones Industrial Average SUNS® Stock Upside Note Securities Due April 29, 2010  | American Stock Exchange                                 |
| Index—Plus Notes Due December 23, 2009, Performance Linked to the Russell 2000® INDEX (RTY)                                 | American Stock Exchange                                 |
| Index—Plus Notes Due March 3, 2010, Linked to the S&P 500® Index (SPX)  | American Stock Exchange                                 |
| Index—Plus Notes Due November 15, 2009, Linked to the Dow Jones STOXX 50® Index (SX5P)                                      | American Stock Exchange                                 |
| Index—Plus Notes Due September 28, 2009, Performance Linked to S&P 500® Index (SPX)   | American Stock Exchange                                 |
| Japanese Yen Linked Warrants Expiring June 20, 2008   | American Stock Exchange                                 |
| Nasdaq—100® Index RANGERS <sup>SM</sup> Rebound Risk Adjusting Equity Range Securities Notes Due June 7, 2008               | American Stock Exchange                                 |
| Nikkei 225 <sup>SM</sup> Index SUNS® Stock Upside Note Securities Due June 10, 2010   | American Stock Exchange                                 |
| S&P 500® Index Callable SUNS® Stock Upside Note Securities Due November 6, 2009   | American Stock Exchange                                 |
| S&P 500® Index SUNS® Stock Upside Note Securities Due August 5, 2008  | American Stock Exchange                                 |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of 'accelerated filer and large accelerated filer' in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and nonvoting common equity held by non-affiliates of the Registrant at May 31, 2007 (the last business day of the Registrant's most recently completed second fiscal quarter) was approximately \$37,489,482,000. As of that date, 510,895,095 shares of the Registrant's common stock, \$0.10 par value per share, were held by non-affiliates. For purposes of this information, the outstanding shares of common stock that were and that may be deemed to have been beneficially owned by directors and executive officers of the Registrant were deemed to be shares of common stock held by affiliates at that date.

As of December 31, 2007, 530,588,207 shares of the Registrant's common stock, \$.10 par value per share, were issued and outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:**

Portions of Lehman Brothers Holdings Inc.'s Definitive Proxy Statement for its 2008 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated in Part III.

LEHMAN BROTHERS HOLDINGS INC.

**TABLE OF CONTENTS**

|   |     |
|---|-----|
| <a href="#"><u>Available Information</u></a>  | 2   |
| <b>Part I</b>   |     |
| <a href="#"><u>Item 1. Business</u></a>   | 3   |
| <a href="#"><u>Item 1A. Risk Factors</u></a>  | 14  |
| <a href="#"><u>Item 1B. Unresolved Staff Comments</u></a>   | 22  |
| <a href="#"><u>Item 2. Properties</u></a>   | 22  |
| <a href="#"><u>Item 3. Legal Proceedings</u></a>  | 23  |
| <a href="#"><u>Item 4. Submission of Matters to a Vote of Security Holders</u></a>  | 26  |
| <b>Part II</b>  |     |
| <a href="#"><u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a> | 27  |
| <a href="#"><u>Item 6. Selected Financial Data</u></a>  | 29  |
| <a href="#"><u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>                        | 32  |
| <a href="#"><u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u></a>  | 80  |
| <a href="#"><u>Item 8. Financial Statements and Supplementary Data</u></a>  | 81  |
| <a href="#"><u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u></a>                         | 137 |
| <a href="#"><u>Item 9A. Controls and Procedures</u></a>   | 137 |
| <a href="#"><u>Item 9B. Other Information</u></a>   | 137 |
| <b>Part III</b>   |     |
| <a href="#"><u>Item 10. Directors, Executive Officers and Corporate Governance</u></a>  | 138 |
| <a href="#"><u>Item 11. Executive Compensation</u></a>  | 138 |
| <a href="#"><u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a>              | 138 |
| <a href="#"><u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u></a>                                   | 138 |
| <a href="#"><u>Item 14. Principal Accountant Fees and Services</u></a>  | 138 |
| <b>Part IV</b>  |     |
| <a href="#"><u>Item 15. Exhibits, Financial Statement Schedules</u></a>   | 139 |
| <a href="#"><u>Signatures</u></a>   | 142 |
| <a href="#"><u>Index to Consolidated Financial Statements and Schedule</u></a>  | F-1 |
| <a href="#"><u>Schedule I—Condensed Financial Information of Registrant</u></a>   | F-2 |
| <b>Exhibit Index</b>  |     |
| <b>Exhibits</b>   |     |

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**LEHMAN BROTHERS HOLDINGS INC.**  
**Notes to Consolidated Financial Statements**

of these uncertain tax positions will not have a material impact on the financial condition of the Company; however resolution could have an impact on our effective tax rate in any reporting period.

We have completed the appeals process with respect to the 1997 through 2000 IRS examination. Although most issues were settled on a basis acceptable to us, two issues remain unresolved and will carry into litigation with the IRS. Based on the strength of its positions, we have not reserved any part of these issues. The aggregate tax benefits previously recorded with regard to these two issues is approximately \$185 million.

The IRS has recently begun an examination with respect to our 2001 through 2005 tax years. The audit is in its initial stages and no adjustments have been proposed. We believe we are adequately reserved for any issues that may arise from this audit. The two issues from the 1997 through 2000 cycle which we plan to litigate also have an impact on the 2001 through 2005 tax years. The aggregate tax benefit previously recorded with regard to these two issues is approximately \$500 million.

***Litigation***

In the normal course of business we have been named as a defendant in a number of lawsuits and other legal and regulatory proceedings. Such proceedings include actions brought against us and others with respect to transactions in which we acted as an underwriter or financial advisor, actions arising out of our activities as a broker or dealer in securities and commodities and actions brought on behalf of various classes of claimants against many securities firms, including us. We provide for potential losses that may arise out of legal and regulatory proceedings to the extent such losses are probable and can be estimated. Although there can be no assurance as to the ultimate outcome, we generally have denied, or believe we have a meritorious defense and will deny, liability in all significant cases pending against us, and we intend to defend vigorously each such case. Based on information currently available, we believe the amount, or range, of reasonably possible losses in excess of established reserves not to be material to the Company's Consolidated Financial Condition or Cash Flows. However, losses may be material to our operating results for any particular future period, depending on the level of income for such period.

***Lease Commitments***

Total rent expense for 2007, 2006 and 2005 was \$250 million, \$181 million and \$167 million, respectively. Certain leases on office space contain escalation clauses providing for additional payments based on maintenance, utility and tax increases.

Minimum future rental commitments under non-cancelable operating leases (net of subleases of approximately \$325 million) and future commitments under capital leases are as follows:

***Minimum Future Rental Commitments Under Operating and Capital Lease Agreements***

| <b>In millions</b>                                     | <b>Operating<br/>Leases</b> | <b>Capital<br/>Leases</b> |
|--|-----------------------------|---------------------------|
| Fiscal 2008  | \$ 281                      | \$ 74                     |
| Fiscal 2009  | 269                         | 99                        |
| Fiscal 2010  | 251                         | 101                       |
| Fiscal 2011  | 242                         | 105                       |
| Fiscal 2012  | 227                         | 108                       |
| December 1, 2012 and thereafter                        | 1,335                       | 2,489                     |
| Total minimum lease payments                           | \$ 2,605                    | \$ 2,976                  |
| Less: Amount representing interest                     |                             | 1,534                     |
| Present value of future minimum capital lease payments |                             | \$ 1,442                  |

**Note 10 Stockholders' Equity**

On April 5, 2006, our Board of Directors approved a 2-for-1 common stock split, in the form of a stock dividend that was effected on April 28, 2006. Prior period share and earnings per share amounts have been restated to reflect the split. The par value of the common stock remained at \$0.10 per share. Accordingly, an adjustment from Additional paid-in capital to Common stock was required to preserve the par value of the post-split shares.

***Preferred Stock***

Holdings is authorized to issue a total of 24,999,000 shares of preferred stock. At November 30, 2007, Holdings had 798,000 shares issued and outstanding under various series as described below. All preferred stock has a dividend preference over Holdings' common stock in the paying of dividends and a preference in the liquidation of assets.